

**ZION TRAVELER BAPTIST CHURCH
RUSTON, LOUISIANA**

**AUDIT REPORT
FOR TWO-YEAR PERIOD ENDED DECEMBER 31, 2000**

BY

**BOBBY GRAY
CERTIFIED PUBLIC ACCOUNTANT**

Post Office Box 1213
2072 Martin Luther King Jr. Avenue
Grambling, Louisiana 71245

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/4/03

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION

For the Two-Year Period Ended December 31, 2000

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana
Financial Statements
And
Independent Auditor's Report
For the Two-Year Period Ended December 31, 2000

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Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

• *Accounting Services*

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Independent Auditor's Report

Pastor and Trustee Board
Zion Traveler Baptist Church
1201 Martin Luther King
Ruston, LA. 71270

I have audited the accompanying statements of financial position of Zion Traveler Baptist Church (a nonprofit organization) as of December 31, 1999 and 2000, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Zion Traveler's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Zion Traveler Baptist as of December 31, 1999 and 2000, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.



Bobby Gray
Certified Public Accountant
Grambling, Louisiana
May 28, 2003

FINANCIAL STATEMENTS

STATEMENT A

**ZION TRAVELER BAPTIST CHURCH
STATEMENT OF FINANCIAL POSITION
FOR THE TWO YEARS ENDED DECEMBER 31, 2000**

	1999	2000
Assets		
Cash and cash equivalents		
Checking accounts	\$ 7,704	\$ 15,218
Savings accounts	73,546	70,783
Certificates of deposits	240,862	305,718
Total cash and cash equivalents	322,112	391,719
 Fixed assets		
Land and land improvements	26,675	26,675
Buildings and improvements	606,459	606,459
Construction in progress	5,914	5,914
Furniture, fixtures, and equipment	222,077	222,077
Vehicles	83,000	83,000
Total fixed assets	944,125	944,125
Less: accumulated depreciation	(496,486)	(536,721)
Total net fixed assets	447,639	407,404
 Total assets	\$ 769,751	\$ 799,123
 Liabilities and Net Assets		
Liabilities:		
Accounts payable	-	-
Payroll liabilities	-	1,903
 Total liabilities	-	1,903
 Net Assets:		
Unrestricted net assets	766,147	794,303
 Total unrestricted net assets	766,147	794,303
 Temporarily restricted net assets	3,604	2,917
 Total net assets	769,751	797,220
 Total liabilities and net assets	\$ 769,751	\$ 799,123

See accompanying notes to the financial statements.

STATEMENT B

**ZION TRAVELER BAPTIST CHURCH
STATEMENT OF ACTIVITIES
FOR THE TWO YEARS ENDED DECEMBER 31, 2000**

	1999	2000
REVENUES AND OTHER SUPPORT:		
Tithes and offerings	\$ 239,776	276,900
Special fund donations	69,627	83,828
Miscellaneous receipts	12,825	18,163
Interest income	12,270	15,617
Total Revenues and Other Support	334,498	394,508
 EXPENSES:		
Personal services and fringe benefits	121,769	150,005
Building and grounds	28,061	80,161
Pastoral ministries	12,443	10,272
Christian education ministries	15,790	18,243
Tutorial ministry	13,709	11,361
General operating expenses	14,775	7,306
Support ministries	10,131	9,015
Benevolence ministries	37,835	23,477
Transportation ministries	7,951	6,124
Depreciation expense	40,235	40,235
Miscellaneous expenses		10,840
Total Expenses	302,699	367,039
 CHANGE IN NET ASSETS	 \$ 31,799	 \$ 27,469

See accompanying notes to the financial statements.

STATEMENT C**ZION TRAVELER BAPTIST CHURCH
STATEMENT OF CASH FLOWS
FOR THE TWO YEARS ENDED DECEMBER 31, 2000**

	1999	2000
Change in net assets	\$ 31,799	\$ 27,469
Adjustments to reconcile change in net assets		
Cash provided by operating activities:		
Decrease(increase) in receivables	-	-
Increase(decrease) in payables	-	1,903
Depreciation expense		40,235
Total adjustments	-	42,138
 Total adjustments and cash provided by operating activities	 31,799	 69,607
Cash and cash equivalents at beginning of year	290,313	322,112
Cash and cash equivalents at end of year	\$322,112	\$391,719

See accompanying notes to the financial statements.

**Zion Traveler Baptist Church
Ruston, Louisiana**

**Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2000**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

The Zion Traveler Baptist Church is a non-profit organization, incorporated as a religious corporation whose purpose is to support the doctrines, beliefs, and works and to be subject to the laws, regulations, and usages of a Baptist Association of Churches, to which it may belong or to which it may be affiliated. The church was incorporated pursuant to the provisions of Act 455 of 1948 (R.S. 12:101 – 12:155). The Articles of Incorporation were amended in 1976 to grant management responsibility to the Board of Trustees. The Trustees perform the business and property management duties of the Church and such other duties required by law and approved by the members of the church. The Pastor of the church is an ex-officio member of the Board of Trustees.

2. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restriction. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets which are not subject to donor-imposed restrictions.

Temporarily restricted net assets-Net assets subject to donor-imposed restrictions which may or will be met, either by action of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets-Net assets subject to donor-imposed restrictions that they be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana
Notes to the Financial Statements
Page 2

3. Public Support and Revenue

Revenue and public support consists primarily of tithes and offerings and state grants. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions, in the form of tithes and offerings are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Trustees exercise discretionary control have been included in the General Fund.

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Cash and Cash Equivalents

The organization considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents, for purposes of the Statement of Cash Flows, exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest-bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. As of December 31, 1999 and 2000, Zion Traveler Baptist Church has cash in the amounts of \$322,112 and \$391,719 respectively as follows:

	1999	2000
Unrestricted	\$ 318,508	\$ 388,802
Temporarily restricted	3,604	2,917
Permanently restricted		
Total cash	\$ 322,112	\$ 391,719

6. Pension Plan

The organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. Employees of the organization are members of the Social Security System. In

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana
Notes to the Financial Statements
Page 3

In addition to the employees' contribution of 7.65%, the church contributes an equal amount to the Social Security System. The organization does not guarantee the benefits granted by the Social Security System.

7. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

8. Commitments and Contingencies

The church has no long-term commitments or contingencies at the end of fiscal years ended December 31, 1999 and 2000.

B. FIXED ASSETS

Fixed assets used in the non-profit organization are accounted for in the General Fund and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer, if applicable. A summary of changes in general fixed assets for the years ended December 31, 1999 and 2000 are shown as follows:

	<u>1999</u>	<u>2000</u>
Fixed Assets, beginning of year	\$ 944,125	\$ 944,125
Additions		0
Deletions		0
Fixed Assets at end of year	\$ 944,125	\$ 944,125

Accumulated depreciation totaled \$ 496,486 and \$536,721 respectively for the years ended 1999 and 2000.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Pastor and Trustee Board
Zion Traveler Baptist Church
Ruston, Louisiana

I have audited the financial statements of Zion Traveler Baptist Church (a non-profit organization) as of and for the years ended December 31, 1999 and 2000 and have issued my report thereon dated May 28, 2003. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance


As part of obtaining reasonable assurance about whether Zion Traveler Baptist Church's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Zion Traveler Baptist Church's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts

that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Pastor and Trustee Board, management, and others within the Zion Traveler Baptist Church and its granting authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Bobby Gray

Grambling, Louisiana
May 28, 2003

SUPPLEMENTAL INFORMATION

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana

SCHEDULE OF GRANT FUNDS
As of and for the Years Ended December 31, 1999 and 2000

STATE GRANT FUNDS

The State Grant revenues are used to provide additional instructional time with a reduced teacher-student ratio to allow for individualized instruction in math, writing, and reading. Funding for the program is provided by the Louisiana Department of Education.

**ZION TRAVELER BAPTIST CHURCH
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE TWO YEARS ENDED DECEMBER 31, 2000**

	1999			2000		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	General Fund	Tutorial Program	All Funds	General Fund	Tutorial Program	All Funds
Personnel costs						
Salaries and fringe benefits	\$112,515	\$9,254	\$121,769	\$139,105	\$10,900	\$150,005
Total personnel costs	112,515	9,254	121,769	139,105	10,900	150,005
Other expenses						
Building and grounds	28,061		28,061	80,161		80,161
Pastoral ministries	12,443		12,443	10,272		10,272
Christian education ministries	15,790		15,790	18,243		18,243
Tutorial ministry	13,709		13,709	11,361		11,361
General operating expenses	14,643	132	14,775	7,063	243	7,306
Support ministries	10,131		10,131	9,015		9,015
Benevolence ministries	37,835		37,835	23,477		23,477
Transportation ministries	7,951		7,951	6,124		6,124
Depreciation expense	40,235		40,235	40,235		40,235
Miscellaneous expenses				10,840		10,840
Total other expenses	180,798	132	180,930	216,791	243	217,034
Total Functional Expenses	\$293,313	\$9,386	\$302,699	\$355,896	\$11,143	\$367,039

See accompanying notes to the financial statements

**ZION TRAVELER BAPTIST CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
TWO-YEAR PERIOD ENDING DECEMBER 31, 2000**

FINDING: Number 00-01

Audit Services:

Louisiana Revised Statute 24:513 requires that quasi-public and other non-profit organizations that receive state or federal assistance obtain audit services and submit a report within six (6) months from the end of the fiscal year. The church did not do this.

RECOMMENDATION

The church should comply with the law by engaging an audit firm, when applicable, and submitting required reporting within the statutory time frame whether an audit or other applicable report is mandated.

MANAGEMENT RESPONSE

Management concurs with the finding and will arrange to comply with reporting requirements in the future. See corrective action plan.

QUESTIONED COSTS

None

**ZION TRAVELER BAPTIST CHURCH
RUSTON, LOUISIANA**

Status of Prior Year Findings

There were no prior year audit findings for Zion Traveler Baptist Church.



P.O. Box 1735
Ruston, LA 71273

Clyde W. McCray, Pastor
Home Phone (318) 251-9011
Church Phone (318) 255-0552
Fax (318) 255-9586

Pamela M. Payne, Church Clerk

May 28, 2003

Bobby Gray
Certified Public Accountant
P.O. Box 1213
Grambling, LA. 71245

Dear Mr. Gray:

In response to the finding in your audit report concerning the timely contracting of auditing services, Zion Traveler concurs with the finding and submits the following corrective action plan:

Plan of Action: Zion Traveler will consider its options at the close of each fiscal year to determine if an audit is required or some other form of reporting and will engage the services of a professional who is qualified to prepare said reports within the time prescribed.

Date of Implementation: Immediately.

Person Responsible: Deacon Wilbert Ellis

Sincerely,

Wilbert Ellis (EH)

Zion Traveler Baptist Church